



GNI Group Files IND for Drug on Liver Failure

Tokyo, July 7, 2011 – GNI Group Ltd, a leading biopharmaceutical company in Japan and China, is pleased to announce that its wholly owned subsidiary, Shanghai Genomics, has filed an Investigational New Drug Application with Shanghai Food and Drug Administration today. This drug candidate, named F573 (formerly named F1013), is Shanghai Genomics' 3rd Class 1.1 drug candidate targeting at liver failure disease, in addition to F647 for Idiopathic Pulmonary Fibrosis and F351 for liver fibrosis. The New Drug Application of F647 is still under review by State Food and Drug Administration (SFDA) of China.

F573 is a modified two amino acids small molecule originally developed by Epicept of USA as a potent apoptosis inhibitor. China is the world's largest liver disease market due to Hepatitis B Virus (HBV) infection. During the late stage of severe hepatitis, large scale liver cell death/apoptosis may occur. Other than existing anti-viral therapy, liver transplant remains as the very expensive last resort. In the last three years, Shanghai Genomics has systematically studied the synthesis method, the efficacious dosage, formulation, pharmacokinetics, and toxicology of F573. In various liver failure animal models, F573 has been shown to be able to potently inhibit cell death and improve survival rate.

"Developing a new drug usually requires 10-15 years of investment and pipeline is very important to ensure long term growth. This year is Shanghai Genomics' and GNI Group's 10th year. Looking back, we have never given up on building a pipeline of several drug candidates at various stages of development. The IND of F573 is another outstanding milestone in the company history," said Luo, CEO of GNI Group and Shanghai Genomics.

F573 will be subject to review by Shanghai FDA. Revisions, supplementary materials, and on-site inspections may be required in the future. In addition, SFDA approval of the IND is also required before clinical trials can be started in China.

About GNI

Founded in 2001, GNI Group, Ltd. is a clinical-stage international drug development group with its headquarters in Tokyo, Japan, and research operations in Shanghai, China. In June 2005, GNI acquired Shanghai Genomics, which was also founded in 2001, and currently operates an integrated drug discovery and development platform in Shanghai. The combined strengths of GNI and Shanghai Genomics have resulted in research collaborations with major international pharmaceutical companies. For further information, please visit www.gnipharma.com and www.shanghai-genomics.com.

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This press release contains "forward-looking" statements, including statements related to GNI's plans to pursue development of product candidates and the timing thereof. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "continue," "expected to," "will," "intend to," "strive to" and similar expressions are intended to identify these forward-looking statements. There are a number of important factors that could cause GNI's results to differ materially from those indicated by these forward-looking statements, including risks associated with the timing and success of clinical trials and the commercialization of product candidates. There is no guarantee that SFDA of China may approve the Company's NDA application. GNI does not undertake any obligation to update forward-looking statements.